



ACQUISITION AND
TECHNOLOGY

PRINCIPAL DEPUTY UNDER SECRETARY OF DEFENSE
3015 DEFENSE PENTAGON
WASHINGTON, DC 20301-3015



DEC 29 2000

MEMORANDUM FOR COMPONENT ACQUISITION EXECUTIVES
DIRECTOR, DEFENSE CONTRACT AUDIT AGENCY
DIRECTOR, DEFENSE LOGISTICS AGENCY
DIRECTOR, DEFENSE CONTRACT MANAGEMENT AGENCY

SUBJECT: Department of Defense (DoD) Packaging Pilot Program Expansion

I chartered a joint Government-Industry Packaging Integrated Product Team (IPT) in late 1998 to launch a packaging pilot program to eliminate burdens imposed on industry to maintain multiple packaging processes. On March 5, 1999, I approved a three-year commercial packaging pilot program. The pilot contractors, General Electric and Honeywell (Allied Signal), have implemented the program at selected sites, across all Department programs and contracts including those where they are delivering items to the Government under sub-contracts to other defense suppliers. The results have been encouraging. Both General Electric and Honeywell have reported innovations in packaging processes and materials, reductions in material costs and cycle time for packaging operations, increased packaging operations productivity and overall cost reductions with the packaging of, primarily, engines and engine accessories. To date, neither contractor has experienced any warranty return or discrepancy attributable to the use of the pilot's flexible packaging practices.

Now, I am expanding, without restriction on the number or experience areas of new potential participating contractors, the packaging pilot program into additional phases to include any additional contractors. I expect that the Packaging IPT will continue to seek out and invite the voluntary participation of contractors. In addition to a willingness to participate, pilot contractors should demonstrate an ability to contribute to the objectives of the packaging pilot program through application of flexible commercial packaging techniques, materials, technologies and quality standards for the packaging of deliverables.

Your support remains essential to the continued success of the packaging pilot program. The IPT will continue to administer the program and evaluate the performance of the participating pilot contractors. I will continue to monitor the benefits of the program until the contractor(s) and I mutually agree to make its provisions permanent or otherwise terminate the pilot program. My point of contact for this initiative in the Office of the Deputy Under Secretary of Defense (Acquisition Reform) is Craig Curtis, (703) 697-6399.

cc:
DEPUTY UNDER SECRETARY OF DEFENSE
(ACQUISITION REFORM)
DEPUTY UNDER SECRETARY OF DEFENSE (LOGISTICS)
DIRECTOR, DEFENSE PROCUREMENT
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE

Dave Oliver

